

CHAPTER 18 — EMPLOYEE BENEFITS DURING LAYOFF OR LEAVE OF ABSENCE

1800 Definitions

1801 Chart of Benefits During Leave of Absence (Including Layoff)

1800 Definitions

Under Wis. Stat. § 40.02 (40), “Leave of Absence” means any period during which an employee has ceased to render services and receive earnings from a participating employer, and there has been no formal termination of the employer-employee relationship.

Wis. Stat. § 40.02 (40), provides that a leave of absence, except a military leave or union service leave, shall terminate for Wisconsin Retirement System purposes no later than three years after it begins, or earlier if reported by the employer. Therefore, if an employee continues on leave with the employer after a period of three years, the employer must submit an Employee Transaction Report (ET-2533) showing that the employee terminated for WRS purposes three years from the date the leave of absence began. Use “Action Code” 01 for termination, the “Action Date” will be three years from the date the leave of absence began. The employer can keep the employee on an administrative leave for other non-ETF program fringe benefit purposes if necessary.

Remember that under Wis. Stat. § 40.02 (40), a leave of absence is not deemed ended or interrupted by reason of returning to work until the employee has resumed active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee’s normal work time with that employer. Employee benefits may be continued during approved leaves without pay according to the guidelines described on the chart on the following page.

A separation or retirement benefit may not be paid to an employee on leave unless the employer/employee relationship is terminated. Contributions left in the Wisconsin Retirement System accumulate annual interest.

1801 Chart of Benefits During Leave of Absence (Including Layoff)

Benefit Type	How Long is Coverage Available?	Payment of Premiums	Employee Required Contributions	Employer Required Contributions	How to Obtain Coverage Lapsed During LOA
WRS	36 months (not applicable if employer pays contributions), not including military or union service leave	A separation or retirement benefit may not be paid to an employee on leave unless the employee terminates the employer/employee relationship. Contributions left in the WRS accumulate annual interest			Employer makes retirement deductions upon return to work & reports return to work on annual detail report
LIFE*	36 months (beyond 36 months if union service leave); 60 days during leave to serve in the military forces of any nation at war, declared or undeclared	3-month increments, due 30 days prior to end of 3-month period	Same as prior to leave unless employee contribution rates increase or decrease, or the employee attains a new premium age category	Continue up to 36 months	Employee submit application ET-2304 within 30 days of return to work*
HEALTH* **	36 months (beyond 36 months if military or union service leave)	Paid in advance by deduction from last payroll check or otherwise by cash payment; then 30 days prior to end of the period for which premiums were previously paid	State Employers: After 3 months, total of employer and employee contributions ----- Local Employers: Employee must pay entire premium unless employer has made provisions for payment for employee	State Employers: First 3 months	Employee submit application ET-2301 within 30 days of return to work*
ICI*	24 months (beyond 24 months if union service leave) Waiting Period for benefits is the same for employees on leave as for active employees; benefits are computed based on last complete payroll period before leave	Paid in advance by deductions from last payroll check; then due 30 days prior to end of the period for which premiums were previously paid	State Employers: After 3 months, total of employer and employee contributions ----- Local Employers: Employee must pay entire premium unless employer has made provisions for payment for employee	State Employers: First 3 months	Employee submit application ET-2307 within 30 days of return to work*

* Coverage types will remain the same as coverage types prior to leave or layoff in most circumstances.

** **State Employers** - Accumulated unused sick leave may be converted to a dollar amount to pay premiums during layoff. The conversion is computed as follows: Sick Leave Hours X Final Hourly Salary = Sick Leave Credits. Premiums shall be deducted until the credits are exhausted, employee is reemployed, or five years have elapsed from date of layoff, whichever occurs first. Refer to the current contracts for details.

Insured employees on an approved leave are eligible to change plans during the annual Dual-Choice enrollment period. Employees on leave have the same rights as active employees to change from single to family coverage or vice versa.